

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 878 - SB 1348

March 16, 2013

SUMMARY OF BILL: Increases, from \$375 to \$1,500, the amount of the annual educational incentive payment given to any full-time county officer designated as a “certified public administrator”, which is paid by the State Treasurer. Removes the ability of the Department of Treasury to pay each qualifying official a prorated amount in any given year that the appropriation of funds to this program is not sufficient to cover each eligible county officer in full.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$94,500/FY13-14

Exceeds \$104,600/FY14-15 and Subsequent Years

Assumptions:

- Pursuant to Tenn. Code Ann. § 5-1-310, full-time county officials designated as “certified public administrators” are reimbursed \$375 for the first year of service and an additional \$375 for each additional year of service until the reimbursement reaches a maximum amount of \$1,500. This bill will give each qualifying official the maximum reimbursement starting with the first year of service instead of incrementally.
- According to the Department of the Treasury, the amount currently appropriated on a recurring basis does not enable the Treasury to provide the full \$1,500 incentive payment per qualifying applicant.
- According to the Department of Treasury, the current recurring appropriation for certified public administrator incentive payments is \$407,300.
- In FY12-13, a pro-rated amount was paid to 328 county officials.
- The number of qualifying officials increases approximately two percent each year.
- In FY13-14, the Department will pay approximately \$501,840 [(328 applicants x 102%) x \$1,500]; therefore, an increase in state expenditures of \$94,540 (\$501,840 - \$407,300).
- In FY14-15 and subsequent years, the Department will pay at least \$511,876 [(328 applicants x 102% x 102%) x \$1,500]; therefore, a recurring increase in state expenditures is estimated to exceed \$104,577 (\$511,876 - \$407,300).

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with a large, stylized "D" and a long, sweeping tail on the "e".

Lucian D. Geise, Executive Director

/jrh